



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
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April 20, 2022

Keegan Fleming
Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Dr. Ste. 1400
Anchorage, AK 99503

RE: LONS 81-054, Hilcorp Alaska, LLC, Milne Point Unit, B Pad, Five New Development Wells Unit Plan of Operations Amendment Decision.

Dear Mr. Fleming:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Milne Point Unit (MPU) Plan of Operations (Plan) amendment application dated March 30, 2022 for the above referenced project.

Scope:

Hilcorp Alaska, LLC (HAK) is seeking authorization to drill five new development wells on B Pad, located within the MPU. HAK will install the new wells in the existing well row on B pad. HAK will install associated infrastructure, including well houses, 250 feet of tie-in piping per well, five new 20-inch conductors, heat trace, and power and instrumentation lines. Piping will tie into the existing pipe rack and pipe header system. All work will be conducted from the existing gravel pad footprint.

This authorization approves only installation and replacement activities that are directly associated with the Unit Plan of Operations for B Pad within the MPU.

Plan activities include:

- Drilling five new wells.
- Installing associated infrastructure, including piping, well houses, five 20-inch conductors, heat trace, and power and instrumentation lines.
- Tying in wells to existing infrastructure.

Location information:

MPU

B Pad

Meridian: Umiat Township: 13N Range: 11E Section: 18
70.458572, -149.440991 NAD83

ADL: 47438

B Pad is located approximately three miles southeast of Milne Point and 11 miles northeast of the Kuparuk Airport.

Agency review:

The Division provided a review and comment opportunity for the activities considered for the authorization under this decision. The following government entities were notified on Friday, April 1, 2022, for comment on the Plan: US Army Corp of Engineers (USACE), Alaska Department of Environmental Conservation (ADEC), Alaska Department of Fish and Game (ADF&G), and Alaska Department of Natural Resources: Divisions of Mining, Land & Water (DMLW) and Oil and Gas (DOG), and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on Friday, April 15, 2022. No comments were received.

Conditions/Stipulations:

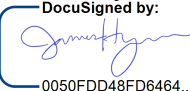
A certified As-Built Survey of the activity shall be provided within one year of placement of the improvement. This As-Built must contain a hard copy, as well as a digital GIS file containing a shapefile or ESRI Feature Class.

Please attach this amendment approval with the original decision. This unit operations amendment approval is issued in accordance with Alaska Statute 38.05, Alaska Administrative Codes 11 AAC 83.346 and 11 AAC 83.303. The Division reviewed this amendment under the unit regulation for the Plan, 11 AAC 83.346, and considers the factors set forth in 11 AAC 83.303(a) and (b). The amendment was also evaluated against the MPU agreement for conformance.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires on April 20, 2025. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this unit operations approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist Jacob Rowland at (907) 269-8570 or emailed to jacob.rowland@alaska.gov.

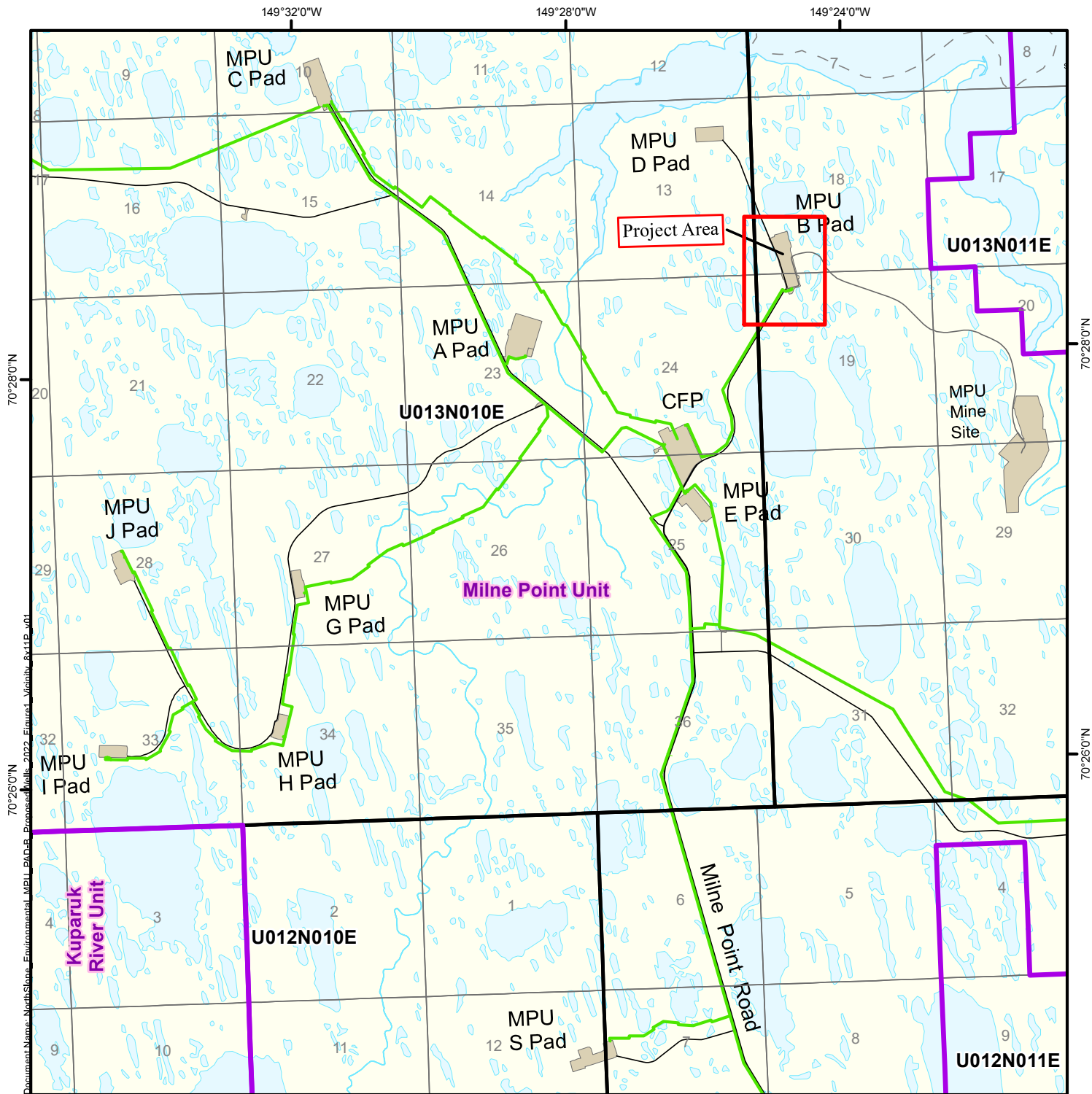
Sincerely,
DocuSigned by:

0050FDD48FD6464...

James Hyun
Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments: Figures 1-2
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, James Hyun, Ashley Ethridge, Alexander Zinck, DOG Units, and
SPCO Records
DMLW: DMLW North Slope and Henry Brooks
ADF&G: Chelsea Clawson and Maria Wessel
ADEC: Laurie Silfven
Borough: North Slope Borough Planning and Permitting
Other: USACE



Project Location:
Milne Point Unit - MPU B Pad

Latitude (Decimal Degrees): 70.474012, NAD 1983
Longitude (Decimal Degrees): -149.41495, NAD 1983

Alaska State Plane Zone 4, NAD 1983
X = 1712038.46
Y = 6023181.33

Sec. 18, 19, T13N, R11E, Umiat Meridian

ADL#: 047438
Adjacent Property Owner: State of Alaska

Legend

- Existing Pipeline (Above Ground)
- Gravel Footprint
- Oil and Gas Unit Boundary

Alaska State Plane Zone 4 NAD 1983 (Feet)

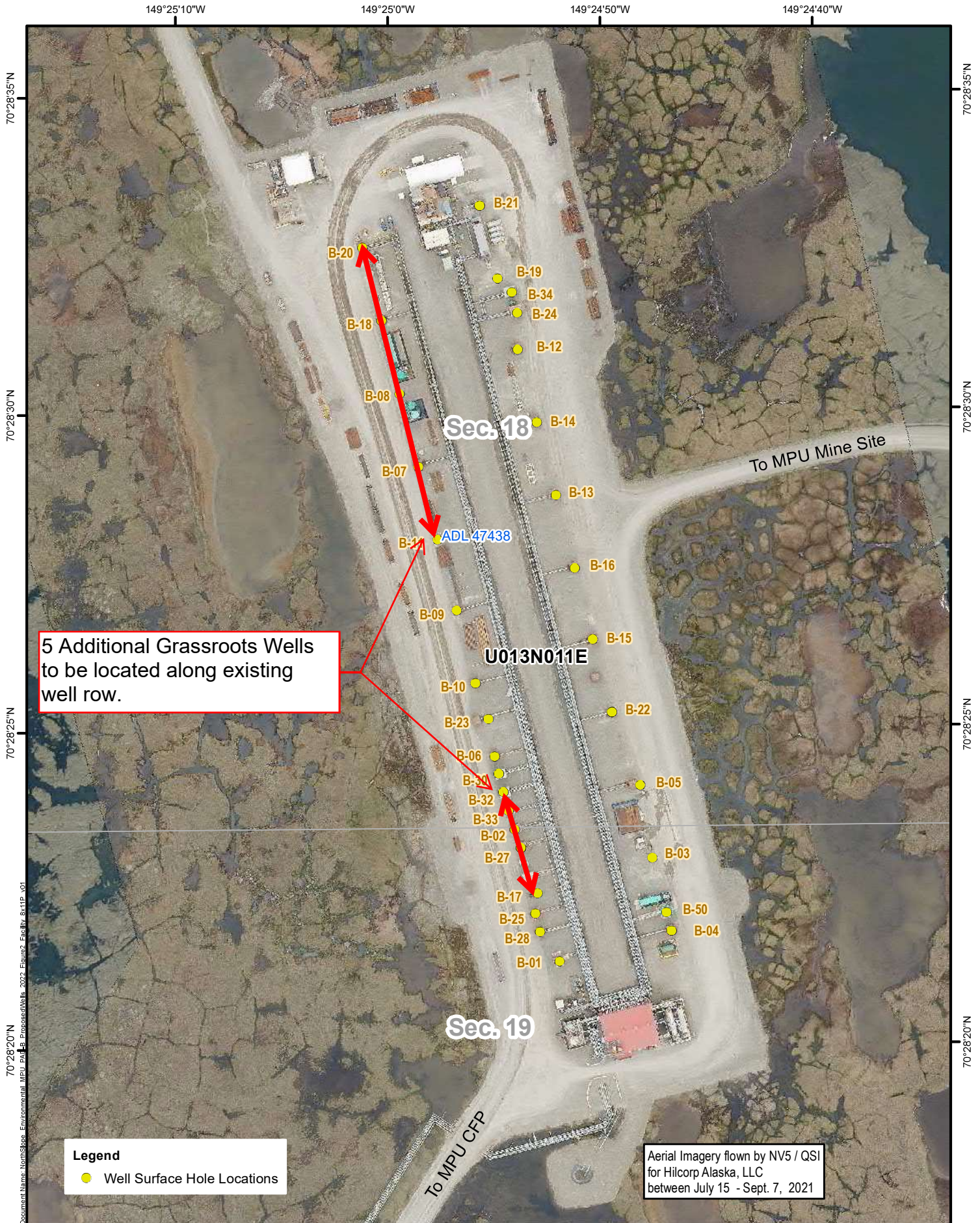
0 0.5 1 Kilometers

0 0.5 1 Miles



Map Date: 1/19/2022

Milne Point Unit MPU B Pad Proposed Well Location Vicinity Map



Legend

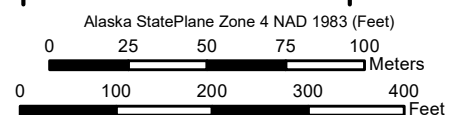
- Well Surface Hole Locations

Aerial Imagery flown by NV5 / QSI
for Hilcorp Alaska, LLC
between July 15 - Sept. 7, 2021



Map Date: 1/19/2022

**Milne Point Unit
MPU B Pad
Proposed Well Location
Facility Map**



1 inch = 200 feet @ 8 x 11 page size